# YE - A-6 — Accrue Interest Due from Other Funds

Source Document: SCO Journal Entry (SMIF)

Module: General Ledger (GL)

Roles: GL Journal Processor

**GL** Journal Approver

**Purpose**: The **A-6** entry records the interest revenue that is due from other funds. This includes interest income due from inter-fund loans and deposits in the Surplus Money Investment Fund (SMIF).

**The Source Document** is the Interest Due From SMIF as of June 30 is the SCO Notice of Transfer used by the SCO. The example provided below shows the SMIF Interest earned as of June 30 and transferred from the Surplus Money Investment Fund in July to the department's fund.

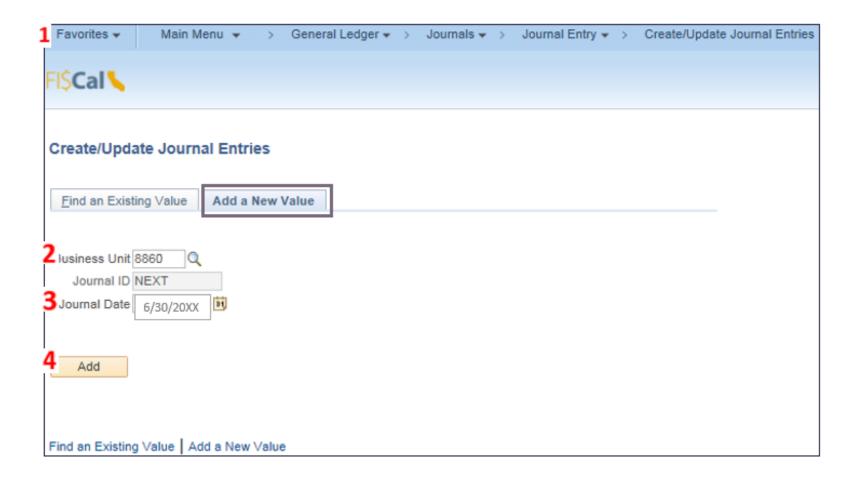
The A-6 entry will be posted in the GL module in Period 998 (the adjusting period in FI\$Cal) and reversed in the new year.

IL CODE 8860 ROUTE TO AGENCY ST	ATE CONTROLLER'S OFFICE	DOCUME	ON THE	
	DIVISION OF ACCOUNTING		SMIPI00464	
EPORT NO: FC-145-10-D TC-38 NO	SACRAMENTO, CALIFORNIA TICE OF TRANSFER	DATE: 7	//14/20XX	
FUND AGCY FY REF/. FEDERAL CT PG EL ITEM CATALOG	COM TSK TYP SOURCE ACCOUNT NO DESCRIPTION	DEBITS	CREDITS	
942119 942119 942119 8860 2018 942119 8860 2018	1140 9892 Q 000 R 0250300 SMIF INT 0942119	25,049.09	25,049.09 25,049.09 25,049.09	
O FUND TRIBAL REVENUES		25,049.09		
681 681 9990 1953 501 681 9990 1953 501	C 9010 C 000 D 000 SMIF INT	25,049.09 25,049.09 25,049.09		
681	1140		25,049.09	
•			,	
ROM FUND SURPLUS MONEY INVESTMENT FUND	•		25,049.09	
REASON FOR ABOVE ACTION	TOTALS .	25,049.09	25,049:09	
WM TO DISTRIBUTE THE QUARTERLY AMOUNT OF AND ACCRUED BY THE SURPLUS MONEY INVE GOVERNMENT CODE SECTION 16475 (AMENDE THE QUARTERLY SMIF APPORTIONMENT RATE SMIP INTEREST RATE IS 0.922*	STMENT FUND PER D BY CH 100/2003).			

<sup>\*</sup>Note: SCO Notice Transfer is usually received in July of the following year. Use 6/30/20XX for your Journal date.

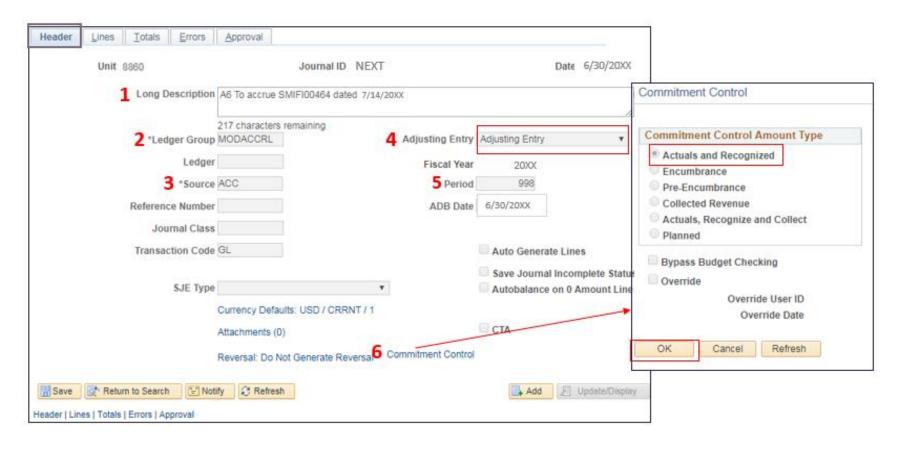
The **GL Journal Processor** will create a new GL Journal to post SMIF Earnings as of June 30.

- **1** Navigate to *GL>Journals>Journal Entry>Create/Update Journal Entries*
- 2 Enter your Business Unit in the Add a New Value tab
- 3 Enter 6/30/20XX as the Journal Date
- 4 Click Add



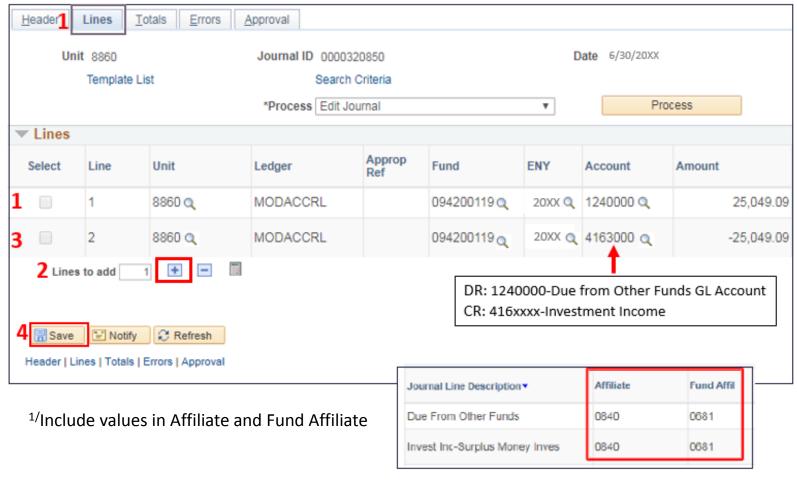
#### The **GL Journal Processor** will create the Journal **Header**.

- 1 In the **Header** tab, enter a Long Description with the SCO Journal No. and Date (example below)
- 2 Ledger Group will default to MODACCRL
- 3 Source should be ACC (Accrual)
- 4 Click on Adjusting Entry drop down and select Adjusting Entry
- 5 Period should be 998
- 6 Click on Commitment Control and select "Actuals and Recognized." Click OK



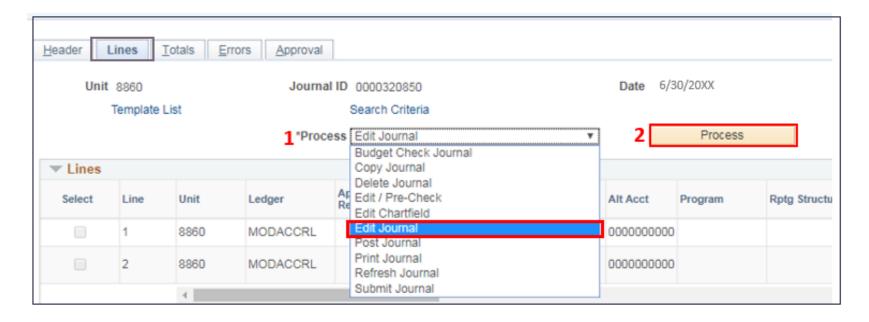
#### The **GL Journal Processor** will enter the Journal **Lines**.

- 1 In the Lines tab, enter debit line: Fund, ENY, Due from Other Funds GL Account, Amount, Affiliate<sup>1</sup>/, and Fund Affiliate<sup>1</sup>/
- 2 Click on 🚹 to insert line
- 3 Enter credit line: Fund, ENY, Revenue Account, Amount, Affiliate, and Fund Affiliate
- 4 Click **Save**. The system will assign a Journal ID. Note the Journal ID on your source document for reference.



The **GL Journal Processor** will run the Edit Journal Process.

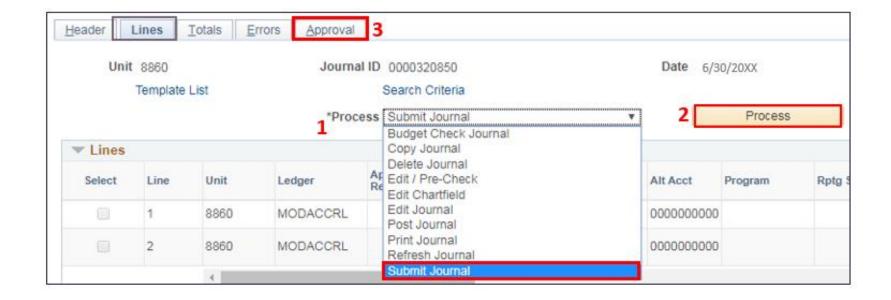
- 1 Click the Process drop down and select **Edit Journal**
- 2 Click Process
- 3 Verify the Journal Status and Budget Status show "V" for Valid





The **GL Journal Processor** will submit the Journal.

- 1 Click the Process drop down and select **Submit Journal**
- 2 Click **Process**. The GL Journal Approver will receive an automatic notification of the journal
- 3 Click the **Approval** tab and view the journal workflow. Your journal will show as **Pending**



The GL Journal Approver will approve the Journal

Follow the steps in Job Aid FI\$Cal .094 – Approving a GL Journal to approve the Journal.

## **Reversing Entries in the New Year**

After the journal is approved and posted in Period 998, the **GL Journal Processor** will copy the journal to create the manual reversal entries in Period 1.

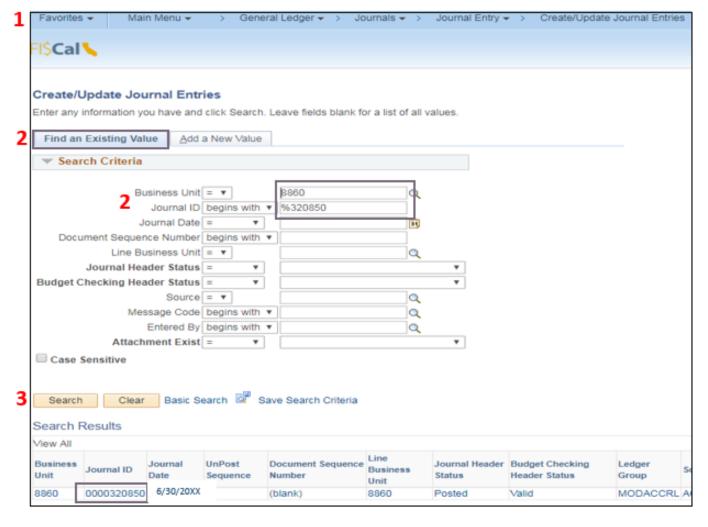
Accrual journal entries <u>must be manually reversed</u> in Period 1 of the new fiscal year.

### Note:

- <u>DO NOT</u> use the "automated reversal" option. This method will create budget check errors in the new year.
- Year-End accrual entries in Period 998 and the reversal entries Period 1 should net to zero.

The **GL Journal Processor** will retrieve journal entry for reversal in the New Year.

- 1 Navigate to GL>Journals>Journal Entry>Create/Update Journal Entries
- 2 Enter the Business Unit and Journal ID in the Find an Existing Value tab
- 3 Click Search and select the Journal ID



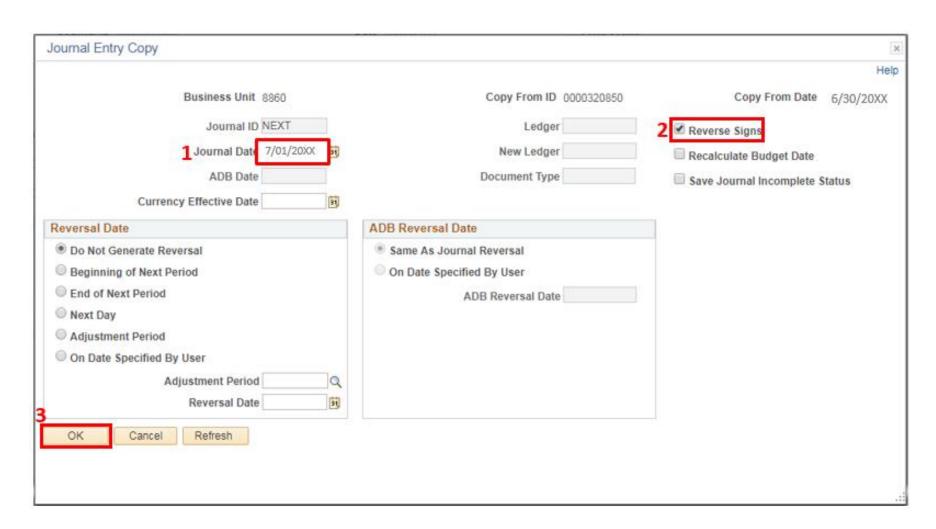
The **GL Journal Processor** will copy the Journal Entry for reversal.

- 1 From the Lines tab, click on the Process drop down and select Copy Journal
- 2 Click **Process** button



The **GL Journal Processor** will edit the Journal Entry Copy page.

- **1** Date: **07/01/20XX** (new year)
- 2 Check the **Reverse Signs** box
- 3 Click "OK" to create reversal Journal (and new Journal ID). Click the Header page to continue

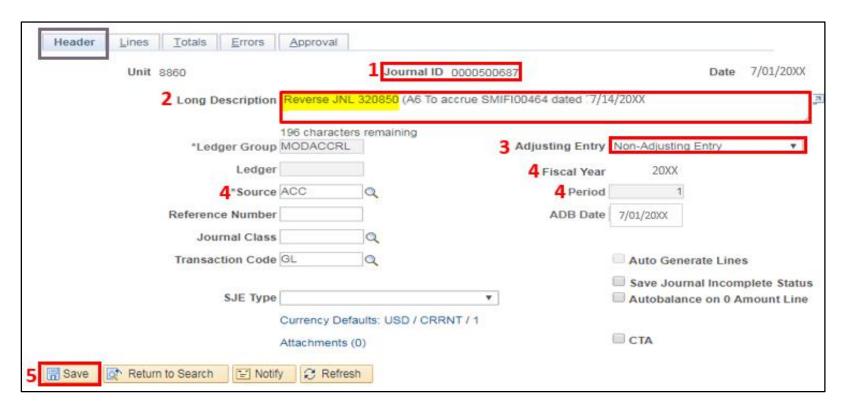


The **GL Journal Processor** will update the Header page.

- 1 In the **Header** tab, note the new **Journal ID** generated for this entry
- 2 Edit the Long Description and add a department defined purpose to the description
- 3 Click on the Adjusting Entry drop down and select Non-Adjusting Entry

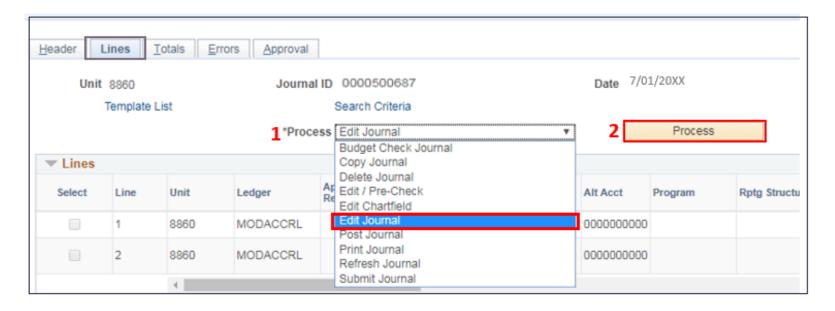
**CAUTION:** If "Adjusting Entry" is posted by mistake, delete the transaction and start over. Attempting to correct it with a Non-Adjusting Entry causes the transaction to post twice: in Period 998 (after the first budget check) and in Period 1 (after the second).

- **4** Verify Fiscal Year is the **new year**, Source is "**ACC**," and Period is **1. Note:** *Transactions entered as ACC in 998, are reversed as ACC. If not, they may cause reconciliation issues and require extra postings.*
- 5 Click Save



The **GL Journal Processor** will run the Edit Journal Process.

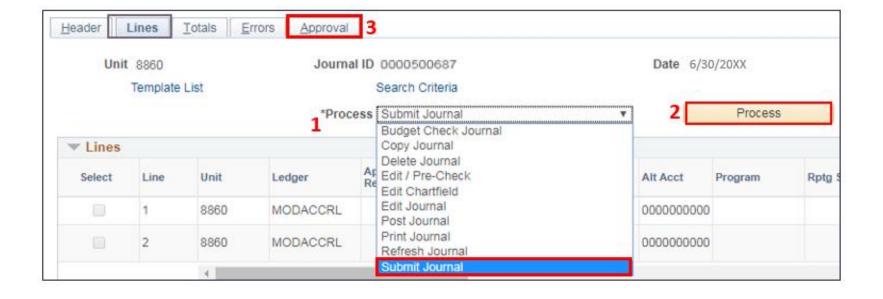
- 1 Click the Process drop down and select **Edit Journal**
- 2 Click **Process** button
- 3 Verify the Journal Status and Budget Status show "V" for Valid





The **GL Journal Processor** will submit the Journal for approval.

- 1 Click the Process drop down and select **Submit Journal**
- 2 Click **Process**. The GL Journal Approver will receive an automatic notification of the journal
- 3 Click the Approval tab and view the journal workflow. Your journal will show as Pending



The GL Journal Approver will approve the Journal

Follow the steps in Job Aid FI\$Cal .094 – Approving a GL Journal to approve the Journal.

• After the reversal of the accrual entry has posted, the **GL Journal Processor** will record the SCO Journal Entry in the new year.

Follow eLearning GL-5 to record SCO Journal Entry (SMIF)

### Tips:

- Record accrual entries in Period 998, source of ACC, and entry of Adjusting Entry.
- Commitment Control Amount Type should <u>always</u> be "Actuals and Recognized" when accruing SMIF.
- Fund and Fund Affiliate should include values when using 124XXXX accounts.
- Manually record reversal entries in Period 1 of the new fiscal year, source of ACC, and entry of Non-Adjusting Entry.